

**Internal Revenue Service
P.O. Box 2508
Cincinnati, OH 45201**

Department of the Treasury

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Employer Identification Number:

Contact Person - ID Number:

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UIL 4945.04-04

LEGEND

**C = Location
D = National Foundation
E = Foundation Program.
G = Approved Grant Program**

**u = number
v = number
w = number
x = number
y = \$Amount**

Dear

We have considered your request for advance approval of your grant-making program under section 4945(g)(3) of the Internal Revenue Code, dated June 24, 2011.

Our records indicate that you were recognized as exempt from Federal income tax under section 501(c)(3) of the Code, and classified as a private foundation as defined in section 509(a).

Your letter indicates that you intend to make grants to individuals pursuant to the procedures and requirements set forth in your grant making program (The Program).

You will make grants to certain qualified individuals in the area of artistic activities to achieve a specific objective, to produce a report or to improve or enhance a literary, artistic, musical or other similar capacity, skill or talent of an individual. Examples of artistic activities that may be supported include, but not limited to, the creation of a new piece of dance, theater, film, or written material. In this way, you continue to further your charitable purpose by supporting the efforts of the artists (primarily in the C area but also nationally on a case-by-case basis) and allowing such artists to improve or enhance literary, artistic, musical or other similar capacity, skill, or talent.

In the future, your grant program may also provide similar support to individuals involved in other creative areas, such as architects, urban planners, or investigative journalism.

You expect that you will receive u to v requests each year for grants, and will award w to x grants each year, but you may increase or decrease the number of the grants awarded from time to time

The size of the grants will vary on a case-by-case basis, but generally will not exceed y except for extraordinary circumstances.

You will publicize your program primarily through your communications with your existing grantee organizations as well as other organizations currently active in the relevant fields, which may not be your grantees. You also intend to publicize your grant program on your website.

All artists, authors, architects, urban planners, investigative journalists and individuals with similar expertise are eligible to apply for a grant from your foundation.

The selection criteria will include:

- A determination and evaluation of the purpose of the grant,
- The merits of the proposal, and
- The relationship of the proposal to your primary areas of focus.

No prescribed application form is required for the grant. A potential grantee may submit a request at any time to your foundation. Each request must include:

- (i) a description of the purposes for which the funds will be used, and
- (ii) a statement relating to the future plans of the applicant.

Evaluation and selection of potential grantees would be done by different individuals:

- (1) Your board of directors;
- (2) An officer of your foundation; or
- (3) Your foundation's executive director.

Each member of your Board of Directors, your officers and Executive Director have significant experience in evaluating applications in these funding areas, identifying applicants that are likely to succeed in the purpose of the grant requested, and analyzing results of the funded program. Because of your strong reputation as an unbiased evaluator, you have been selected by the D, to manage and make grants from E.

The Board of Directors or the individuals conducting the evaluation analyze the information submitted, and determine the applicant's likelihood of achieving the purpose for which the grant is sought. This analysis includes a determination and evaluation of the purpose of the grant, the merit of the proposal, the relationship of the proposal to your charitable, educational and other exempt purposes.

In most cases, the grant emphasis is based on the ability of an individual to achieve the purpose of the grant, and to perform to the full extent of his or her potential in the likelihood that the grant will enable the individual to engage in meaningful or beneficial activity that might not otherwise be possible. The Board of Directors or individuals conducting the evaluation then determine whether the grant will be awarded.

Grant recipients are selected pursuant to an objective and non-discriminatory selection process. This selection generally is made without reference to a group of candidates because you believe that the review and evaluation process you have developed will result in the selection of only those individuals who are exceptionally qualified to be beneficiaries of your program grant or who are particularly suited to effectuate the purpose of the grant.

Each individual who satisfies the criteria is eligible to receive a grant. However, none of your officers or directors, or any other person who is a disqualified person with respect to your foundation, and no relative or

close business or personal associate of any individuals involved in the selection process shall be eligible to receive a grant.

Your procedure as described in the current request differs from the procedures described in G, your previously approved grant program.

First, G required Board of Directors approval of each grant to an individual. The current procedure, in contrast, permits each member of the Board of Directors, the foundation's officers and the Executive Director to approve a grant under the Program.

Second, G required each application to be accompanied by a statement of financial need and a supporting financial document. Your current grant program will not include this requirement.

You believe that the current procedure will allow you to respond more efficiently to requests for funding from qualified individuals, and expand the scope of potential grantees to include all artists, authors, architects, urban planners, investigative journalists and individuals with similar expertise.

You will enter into a written agreement with each grantee under the program, which includes specific instructions to the grantee regarding the use of your grant funds. The format of this specific written agreement is in development.

The grant awarded to grantees will be made in one or more payments directly to the recipient with specific instructions for the use of the funds. Recipients will submit reports to you describing how the funds have been used, including a final report when the funds have been spent in full.

When the required reports are delinquent or if there is indication of any possible diversion of funds, you will send a follow-up request as a part of your investigation into the use of the funds. If satisfactory reports are not received after a reasonable time, you will attempt to recover the funds. While conducting the investigation, you will withhold any further payments until any delinquent reports have been submitted. If it is determined that a diversion has occurred, no further payments will be made to the grantees.

No grants are renewable under the program. However, individuals are permitted to apply for additional grants for new activities in future years. Any such subsequent application would be evaluated pursuant to the program's standard processes and procedures, and no priority will be given to any individuals that have been funded previously by you.

You will comply with all relevant record keeping requirements. In connection with the program, you will maintain records:

- (1) Identifying the award recipient
- (2) Demonstrating the recipient is an individual who is not a disqualified person with respect to you (within the meaning of Code section 4946(a)(1), or is otherwise disqualified from receiving a grant under the program, and
- (3) Specifying the amount and purpose of each grant.

You will also retain all follow-up information regarding progress reports, any suspension of grants, and any investigations of possible diversion of grant funds.

Sections 4945(a) and (b) of the Code impose certain excise taxes on "taxable expenditures" made by a private foundation.

Section 4945(d)(3) of the Code provides that the term "taxable expenditure" means any amount paid or incurred by a private foundation as a grant to an individual for travel, study, or other similar purposes by such individual, unless such grant satisfies the requirements of subsection (g).

Section 4945(g) of the Code provides that section 4945(d)(3) shall not apply to individual grants awarded on an objective and nondiscriminatory basis pursuant to a procedure approved in advance if it is demonstrated that:

- (1) The grant constitutes a scholarship or fellowship grant which is subject to the provisions of section 117(a) and is to be used for study at an educational organization described in section 170(b)(1)(A)(ii);
- (2) The grant constitutes a prize or award which is subject to the provisions of section 74(b), if the recipient of such prize or award is selected from the general public, or
- (3) The purpose of the grant is to achieve a specific objective, produce a report or similar product, or improve or enhance a literary, artistic, musical, scientific, teaching, or other similar capacity, skill, or talent of the grantee.

Section 53.4945-4(c)(1) of the Regulations provides that to secure approval, a private foundation must demonstrate that:

- (i) Its grant procedure includes an objective and nondiscriminatory selection process;
- (ii) Such procedure is reasonably calculated to result in performance by grantees of the activities that the grants are intended to finance; and
- (iii) The foundation plans to obtain reports to determine whether the grantees performed activities that the grants are intended to finance.

Based on the information submitted and assuming your award programs will be conducted as proposed with a view to provide objectivity and nondiscrimination in making the awards, we have determined that your procedures for granting the awards comply with the requirements contained in section 4945(g) of the Code and that awards granted in accordance with such procedures will not constitute "taxable expenditures" within the meaning of section 4945(d) (3).

This determination is conditioned on the understanding that there will be no material change in the facts upon which it is based. It is further conditioned on the premise that no grants will be awarded to foundation managers, or members of the selection committee, or for a purpose that is inconsistent with the purpose described in section 170(c)(2)(B) of the Code.

The approval of your award program procedures herein constitutes a one-time approval of your system standards and procedures designed to result in awards which meet the requirements of section 4945(g)(3) of the Code. This determination only covers the grant programs described above. Thus, approval shall apply to subsequent award programs only as long as the standards and procedures under which they are conducted do not differ materially from those described in your request.

Any funds you distribute to individuals must be made on a true charitable basis in furtherance of the purposes for which you are organized. Therefore, you should maintain adequate records and case histories so that any or all award distributions can be substantiated upon request by the Internal Revenue Service.

This determination is directed only to the organization that requested it. Section 6110(k)(3) of the Code provides that it may not be used or cited as a precedent.

You must report any future changes in your grant making procedures. Please keep a copy of this letter in your permanent records.

We have sent a copy of this letter to your representative as indicated in your power of attorney.

If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely yours,

Lois G. Lerner
Director, Exempt Organizations

Enclosure: Notice 437
A redacted copy of this letter